IMPACT OF INFLUENCERS ON PURCHASE BEHAVIOR AND BRAND LOYALTY OF FMCG CONSUMERS.

A Synopsis Submitted to

Shri Vaishnav Vidyapeeth Vishwavidyalaya

In Management

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INTRODUCTION

Influencer marketing has become a remarkable marketing strategy in the FMCG sector. It is a way of utilizing social media influencers with a large following to encourage products and services.

The expeditious development of FMCG sector is the biggest contributor of the Indian economy. FMCG companies are increasingly using influencer marketing to promote their products and services. Influencer marketing is a marketing strategy that involves utilizing influencers with a large following to promote FMCG products and services. FMCG product touches every aspect of human life. Influencers has become an essential tool for companies to connect with their customers and improve their customer loyalty and increases their sales. This research paper aims to investigate the strategic importance of customer loyalty in the FMCG sector, its benefits and challenges. This sector shows extra ordinary growth from last many years during recession and Covid 19 also. From previous years influencers also plays a very important role to highlight this sector because influencer marketing is a type of social media marketing that uses endorsements and product mentions from influencers who have a dedicated social following and are viewed as experts in all the industries. Influencer marketing focuses on using key leaders or influencers to drive a brand's message to the targeted market of FMCG sector. Thus, an influencer can fill gap between your FMCG company and potential customers, making you stand out among other businesses so it creates customer loyalty in few FMCG products.

CONCEPTUAL FRAMEWORK

Purchase Behavior

Influencers wield substantial power in guiding consumer purchasing decisions. Through engaging content and authentic recommendations, influencers can sway consumer preferences towards specific FMCG products. This dimension of the conceptual framework will investigate the various ways influencers affect the decision-making process of consumers, from creating awareness to influencing the final purchase. The credibility and trustworthiness of influencers play a crucial role in shaping consumer perceptions. Consumers often perceive influencers as relatable and trustworthy figures, leading to a higher likelihood of considering their recommendations. This section will delve into the factors that contribute to the credibility of influencers and how these elements impact the trust consumers place in their product endorsements.

The authors have used the theory of planned behavior (henceforth referred to as TPB) (Ajzen, 1991) and social learning theory by Bandura and Walters (1963) to develop their discussion guide. The discussion guide examined how various aspects of influencer marketing impact consumer

behavior. In the digital age, influencer marketing has emerged as a powerful strategy for brands to connect with their target audience. Authenticity is a key driver of influencer marketing success. The content created by influencers must resonate with their audience, providing value and creating a genuine connection. This segment of the conceptual framework will explore how authentic content contributes to increased engagement and, subsequently, influences FMCG purchase decisions.

Influencers, individuals with a significant following on social media platforms, wield the power to influence consumer behavior through authentic and relatable content. This research blog explores the impact of influencer marketing on consumer behavior, shedding light on how it shapes purchasing decisions, brand perceptions, and overall consumer attitudes. Recent marketing trends indicate the rise of influencers as an extension of word-of-mouth campaigns. As consumers turn to social media platforms, organizations are realizing the power of influencers in affecting a purchase decision. The current study throws light on various aspects of influencer marketing that drive consumer behavior by using the theory of planned behavior (henceforth referred to as TPB) (Ajzen, 1991) and social learning theory by Bandura and Walters (1963) as part of the qualitative research to identify key factors of influencer marketing that impact consumer behavior.

Brand Loyalty

Influencers not only drive initial purchases but also contribute significantly to the development of brand loyalty. By aligning themselves with specific FMCG brands, influencers create a lasting impact on consumer loyalty. This section will examine the enduring effects of influencer endorsements on brand loyalty within the FMCG sector. Different influencers cater to distinct demographics and niches. Understanding the demographic-specific impact of influencers is crucial for FMCG brands seeking to optimize their influencer marketing strategies.

Influencer Marketing

An influencer is someone who can influence the behavior of others and influencer marketing is a type of social media marketing that uses endorsements and product mentions from influencers who have a dedicated social following and are viewed as experts within their niche. These influencers are way more effective at engaging audiences then traditional media like T.V., radio, print, or other methods of advertisements. This research focuses on implementing an influencer marketing strategy by an application-based online shopping service specifically for FMCG products such as vegetables, fruit, various packaged foods and other daily needs that are easily damaged or spoiled and have a relatively short shelf life. One research conducted in 2021 estimated that this concept is likely to become $15 billion industry by 2022 and so there will be no slowing down for this. Also, this sector was unstirred in the pandemic era and continued to boom as compared to other traditional media.

Influencer marketing focuses on using key leaders or influencers to drive a brand's message to the targeted market. Thus, an influencer can fill the gap between your company and potential customers, making you stand out among other businesses. It includes all the processes that promote or advertise a product, service, website or brand by using the reach and mass appeal of influential individuals. There are 3R's of influencer marketing- a) Relevance, b) Reach, and c) Resonance.

Additionally, there are different categories of Influencer Marketing depending on their expertise and audience size. They are- Mega Influencers, Micro Influencers, Macro Influencers and, Nano influencers. Mega influencers have more than 1 million followers like Virat Kohli and Amitabh Bachchan. Micro influencers have 10 thousand to 1 lakh followers. Macro influencers have 1 lakh to 1 million followers and Nano influencers have less than 10,000 followers (Rahman 2022). In 2020, YouTube, a site that incorporates both streaming and social elements, had over 2 billion subscribers globally and was the second-largest medium for the searching this phenomenon. This platform has become one of the most popular social media sites for influencers and customers alike (Rodrigues et al., 2018, Rosario & Luthfia, 2020) as customer's fascination while watching online videos is increasing every day. In case of beauty influencers, Youtube has become the most favorite social media platform to work (Dankwa, 2021).

There are so many challenges associated with influencer marketing. One of the main challenges is the authenticity of influencers. Some influencers may have fake followers, and their content may not be genuine. This can spoil the credibility of FMCG companies and their brands. The previous studies on the endorsement industry were mostly focusing on celebrities and their credibility as perceived by customers (Wang et. al., 2017). As the number of influencer platforms and importance of influencer marketing strategies are increasing day by day, researchers have called for more studies on you tube influencers information credibility and its impact on customer behavior (Lou & Xie, 2020; Xiao et.al., 2018). Influencer marketing helps in knowing target audience's information and characteristics. Thus, it also helps in audience identification and selection and therefor it should ideally work hand in hand with the social media marketing of any firm.

A study by influencer marketing Hub found that 49% of consumers rely on influencer recommendations when making purchase decisions (Influencers Marketing Hub,2021). By collaborating with influencers who have a similar target audience, FMCG brands can reach out to a wider audience and build a loyal following on social media platforms. This study aims to provide insights into the dynamic relationship between influencers, purchase behavior, and brand loyalty within the Fast-Moving Consumer Goods industry. Through a mix of quantitative and qualitative methods, the research seeks to contribute valuable knowledge to both academic and industry perspectives, aiding marketers in refining their strategies to adapt to the evolving consumer landscape.

Review of Literature

Literature review for the study will be categorized under following heads:

The benefits of influencer marketing in the FMCG sector include improved brand awareness, increased sales and the ability to connect with the target audience. According to a study conducted by Linqia ,86% of marketers reported that influencers marketing was effective in raising brand

awareness. FMCG companies to reach their target audience more effectively in raising brand awareness.

Based on previous research, there is evidence that demographic such as age can influence the relationship some variable towards other. Wei-Ming Ou (2007) found that moderating of age influence the relationship between retailer reputation and shopping expenditure and frequencies of store patronage. On his previous study, he said that age positively moderates the relationship between reputation and time because retired people have flexible schedule time for shopping tips. There is other study that demographics such as age and gender may change the effect of relationship between retailer reputations on consumer behavior (Kim and Park, 1997).

FMCG Industry is the most prominent and the largest category on social media today (Dave,2016). The FMCG industry in India has grown rapidly over the last decade, predominantly on account of the increasing income levels and the changing lifestyle of the Indian consumer.

The research focuses on implementing an influencer marketing strategy by an application-based online shopping service in India specifically for FMCG products such as vegetables, fruits, various periods and other daily needs that are easily damaged or spoiled and have a relatively short shelf life. Gender influences in marketing is a popular research topic. Prior studies focused on the impact of gender in information processing, peripheral cues, visual design, or web advertising. The majority of these studies concentrated on the gender of the consumer. However, there is limited empirical research on the effect of the characteristics of the informational source. Toddand Melancon (2017) found that a source can influence the persuasiveness and effectiveness of a message.

According to the reports of Assocham and Tech Sci Research (2016) and India Brand Equity Foundation (IBEF,2017), the Indian FMCG sector is the fourth largest sector in the economy with a total market size of USD 49 billion in 2016.The sector is projected to grow a CAGR of 20.6% to reach USD 103.7 billion in 2020.

Winter and Kramer (2014) studied the effects of personal characteristics of blog authors. results showed that gender is an essential variable for Percieved credibility, as well as information selection. Participants, no matter their gender, preferred blogs by female authors.

The latest trends in the field of marketing communication is the evolution of the influencers community that has significant power over brand and company perception, therefore it can largely effect its reputation (Vodak et al., 2019). A research work outlines a classroom exercise, called the matchmaking activity, which introduced the concept of influencers marketing and provided hands on experience, and encouraged critical thinking to solve a simulated marketing dilemma (Kemp et.al 2019). One research comprehensively studied the impact of social media marketing of snack foods, via influencer's instagram profiles on children's snack intake intention and presented many suggestions for the same (Coates et al., 2019).

One research work suggested that companies build their brand and loyalty on consumers trust in someone they know and admire and given this fact it defined non practical basis of the footprints of influencer marketing on consumer lifestyles (Nadanyiova et al., 2020). A research

work presented SNet model for representing a social network based on users and tagged and the relationships among them (Huynh et al., 2020). Successful influencer marketing involves YouTubers which offer curated advice, stories, and suggestions to create engagement with the audience (Chopra et. al., 2020).

One research work studied the effect of various attributes of social media influencers on their credibility and eventually on purchase intention of consumers in Delhi NCR, India (Khan 2020). One research work analyzed the four essential factors related to an influencer marketing program through two separate experimental studies for theoretical reasons and methodological operability (Lopez et al., 2020). One study aimed to assess the efficacy of social media advertising and influencer marketing using sales, page engagement, brand perception and buying intention as the dependent variables. Moreover, the study also showed that social media users tend to save sponsored advertisements more than they save advertisements by influencers (Jarrar, 2020).

Social Media Influencers (SMIs) are increasingly involving in influencers marketing to promote products. However, there are both opportunities and issues with influencers marketing like the issues of cultural barriers, commercial-personal tension, and second sponsorship disclosure etc. (Zhou and Barnes 2021). One paper presented that the influencers marketing has mainly been adopted through a process of trial and error without in-depth insight into how social media influencers should be used strategically as a distinct tool in the marketing mix. At the end, this paper suggested some recommendations for future research and businesses when employing influencers marketing (Hudgens et al., 2021).

A research paper displayed that teenagers are avid consumers of social media and also constitute attractive target audiences for influencers marketing (IM). Furthermore, influencer's endorsements are observed to carry greater credibility and authenticity than traditional forms of advertising (Sweeney et. al., 2021). One study revealed that both, attitude towards influencers and perceived control that allows increase in domain knowledge had a favorable Impact on consumer behavior while the influence of peers had no effect (Chopra et al., 2021). One research work explained some factors which may affect the sponsored content value as well as attitudes towards YouTube influencers (Acikgoz and Burnaz 2021). One study concluded that social media influencers affect target consumers to purchase a certain brand posted in their contents. This study also verified the mediating role of consumer's self-brand connection between the two that is attitude and purchase intention (YiLi and Peng 2021). One of the researchers examined the field of influencer marketing by conducting a quantitative study on the impact of two influencer attributes- trust and content quality and how they affect the travel intentions of a follower (McNair 2021).

In a research, different effects of influencer marketing in the teenagers have been critically evaluated with the aid of simple random sampling. Sample size of 25 people has been developed and a survey has been conducted to identify the effectiveness of influencers marketing on teenagers (Hota 2022). One research work explored and presented details regarding emerging influencers such as virtual influencers, pet influencers and metaverse influencers in the form of short discussions (koay 2022). A study contributed to the SMI literature by examining the influence of SMIs trustworthiness, attractiveness and expertise, along with the moderating effect of

materialism, on followers having purchase intention (Yeik 2022). One research work studied the impact of social media influencers, their credibility, as manifested by trustworthiness, attractiveness and expertise, along with the moderating effects of materialism on followers purchase intention (Koay et al., 2022).
The most widely accepted definition of loyalty is described as the biased (i.e. non-random), behavioral response (i.e.purchase), expressed over time, by some decision-making unit, concerning one or more alternative brands out of a set of such brands, and is a function of psychological decision making processes (Jacoby and Kyner, 1973). Many practitioners and academics have called for greater knowledge and understanding in relation to the process of developing customer loyalty as this knowledge could lead to better ways dealing with segmented customers according to their phase. Also, the process and management strategy thus can be adopted according to the relationship-based needs of different levels of customer loyalty (Oliver, 1999; Knox and Walker, 2001; Tsaur et al., 2002).

One study involved a literature study of secondary data and concluded that there is a need to build a frame to understand the customer loyalty Poand its impact on the improvement of the customer involvement role (kadimpully et al., 2011). One thesis analyzed the relationship between customer satisfaction and customer relationship with an objective to study the concept of customer satisfaction and loyalty (khadka and Maharjan 2017). One paper aimed to provide a summary review on the existing loyalty models. It focused on the key factors and perspectives that can assist marketing scholars and professionals in enhancing customer's loyalty (Alhaija et.al 2018). A study concluded that customer loyalty is highly influenced by the quality of the products, the applied price strategy and the good communication between enterprises and customers. Thus, loyalty is the main aim of strategic enterprises marketing planning and is the key for retaining customers (kyurova and Koyundzhiyska 2021).

Rationale

From the review of literature, the popularity of influencers marketing is increasing rapidly and influencer is a person who has developed a high level of trustworthiness and it can be noted that despite being a popular and evolving research domain, influencer marketing still lacks a comprehensive and systematic bibliometric analysis is the field. Also, I have not found many researches on the FMCG sector in context to purchase behavior, influencer marketing and brand loyalty, thus I have chosen this topic.

Objectives

1. To study the impact of influencers on Purchase Behaviour.
2. To study the impact of influencers on Brand Loyalty.
3. To open new vistas of research to add to the present base of findings.

Research Method

The Study

This Study will be exploratory and descriptive in nature. It will provide insights about various aspects of influencers and their relationship with purchase behavior and brand loyalty on customer loyalty for FMCG sector.

Independent Variable

Influencers

Dependent Variable

Purchase Behavior

Brand Loyalty

The Sample

The sample size will be 480. A purposive method of sampling was employed in the present study and will be collected from M. P (Indore, Bhopal, Jabalpur).

Hypotheses:

Based on review of literature and past studies, the following hypotheses are formulated for this study through empirical investigation.

H_{01}: There is a positive impact of influencers on Purchase Behaviour.

H_{02}: There is a positive impact of influencers on Brand Loyalty.

The Tools

For Data Collection

- Primary data will be collected from self-designed. Secondary data will be collected from journals, books, the internet etc.

For Data Analysis

For data analysis, tools like SPSS 22.0 and Excel.

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